

The Honorable _____

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

AIPU LIMITED,
FIDEX INVESTMENTS LIMITED,
CHAO LI,
QIAN BAI, and
LAN BAI

Defendants.

Civil Action No.: 3:24-cv-5815

COMPLAINT FOR INJUNCTIVE AND
OTHER EQUITABLE RELIEF AND
CIVIL MONETARY PENALTIES
UNDER THE COMMODITY
EXCHANGE ACT

JURY TRIAL DEMANDED

Plaintiff, Commodity Futures Trading Commission (“Commission” or “CFTC”), by and
through its undersigned attorneys, hereby alleges as follows:

I. SUMMARY

1. From at least February 6, 2023 to the present (hereinafter, the "Relevant Period"),
Qian Bai (“Bai”) and Lan Bai, individually and as controlling persons of Aipu Limited (“Aipu”),
together with Fidefx Investments Limited (“FIL”) and Chao Li (“Li”), (collectively, the
“Defendants”), acting as a common enterprise, have fraudulently solicited and misappropriated,
and continue to fraudulently solicit and misappropriate, at least \$3,630,848.90 from not less than

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thirty-two (32) customers as part of a fraudulent investment scheme that involves soliciting and accepting assets - both fiat currency and digital assets - from customers in connection with the sale of agreements, contracts or transactions in commodities on a leveraged or margined basis, or financed by the offeror, counterparty or a person acting in concert with the offeror or counterparty on a similar basis (“leveraged or margined retail commodity transactions”), off-exchange retail foreign currency (“retail forex”) contracts, and commodity futures contracts, which together are included with the definition of “commodity interest” as defined by Commission regulations. 17 C.F.R. § 1.3 (2023). The majority of the at least thirty-two (32) customers were located in the United States during the Relevant Period. Most, if not all, of the customers, including one customer who resides in Pierce County, Washington, are not eligible contract participants (“ECPs”) pursuant to Section 1a(18)(A)(xi) of the Commodity Exchange Act (“CEA”), 7 U.S.C. §1a(18)(A)(xi).

2. The fraudulent common enterprise follows a similar pattern, with customers either directly funding a purported “trading account” with Aipu via the website *www.aipufx.com*, or with FIL via the website *www.fidefxltd.com* (collectively the “websites”), or agreeing to trade commodity interests via Aipu and/or FIL after being contacted by individuals acting on behalf of the Defendants (“Solicitors”). The content of the websites is essentially identical, with only the name of the purported trading company being the only difference. Aipu and FIL operate in essentially an identical fashion, in furtherance of the Defendants’ common enterprise.

3. Solicitors contact the customers via computer and cell phone applications such as WeChat, WhatsApp, and Line, and other social media platforms. The Solicitors claim to have knowledge or inside information that allows them to earn 10% to 30% profits per trade trading in

1 commodity interests such as leveraged or margined retail commodity transactions, retail forex,
2 and/or commodity futures contracts. The Solicitors offer to share their knowledge or inside
3 information with customers and to help them trade by providing particularized trading advice.
4 Once an account is funded, customers are provided access to online account statements that show
5 purported deposits into their trading accounts and profitable trading at Aipu or FIL. These
6 account statements are false. Neither Aipu nor FIL have any trading accounts in the United
7 States to which customer funds are sent. Upon information and belief, there are no trading
8 accounts at Aipu or FIL to which customer assets are sent, and no trading takes place on behalf
9 of customers at either Aipu or FIL.
10

11 4. Defendants do not have any commodity interest trading accounts, fail to use
12 customer assets to margin, guarantee, or secure trades on behalf of defrauded customers, and
13 misappropriate all assets they accepted, and continue to accept, from customers by immediately
14 transferring said assets to the People's Republic of China ("PRC") and elsewhere to entities with
15 no connection to commodity trading.
16

17 5. Throughout the Relevant Period, for the purpose of funding customers' purported
18 commodity trading accounts, Defendants, working in concert with Solicitors as a common
19 enterprise, direct customers to transfer their fiat and digital assets through a series of bank
20 accounts and private digital wallets affiliated with Defendants. None of these accounts are held
21 at, or controlled by, a CFTC-registered futures commission merchant ("FCM") or retail foreign
22 currency dealer ("RFED"). Rather than using these assets to trade commodity interests on behalf
23 of customers, Defendants immediately misappropriate customers' assets by transferring them
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1 offshore to non-trading accounts controlled by persons in the PRC, Malaysia, and elsewhere
2 (“Scheme Entities”).

3 6. Bai and Lan Bai, individually and as controlling persons of Aipu, knowingly or
4 recklessly omit material facts from customers after accepting their assets for the purpose of
5 trading commodity interests, including but not limited to: Defendants misappropriate all
6 customer assets; Defendants do not trade commodity interests on behalf of customers after
7 accepting customers’ assets; Defendants do not forward customers’ assets to any entity that trade
8 assets on behalf of customers; customers have no trading accounts; and, the online account
9 statements Defendants provide customers are false.
10

11 7. Li, individually and as the controlling person of FIL, knowingly or recklessly
12 omits material facts from customers after accepting their assets for the purpose of trading
13 commodity interests, including but not limited to: Defendants misappropriate all customer assets;
14 Defendants do not trade commodity interests on behalf of customers after accepting customers’
15 assets; Defendants do not forward customers’ assets to any entity that trades assets on behalf of
16 customers; customers have no trading accounts; and, the online account statements Defendants
17 provide customers are false.
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20 8. Throughout the Relevant Period, Lan Bai knows or recklessly disregards that the
21 customer assets she accepts into bank accounts and/or digital asset accounts she controls are
22 intended for trading commodity interests via purported Aipu trading accounts, and that she
23 forwards customer assets to persons that are not associated with commodity interests trading
24 (“Scheme Entities”) as intended by customers.
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1 9. Throughout the Relevant Period, Bai knows or recklessly disregards that the
2 customer assets he accepts via the Aipu website and otherwise are intended for trading
3 commodity interests via purported Aipu trading accounts, that the statements he makes to
4 customers in his role as Aipu's "Customer Service" representative are false and omit material
5 facts, and that he causes customer assets to be forwarded to Scheme Entities that are not
6 associated with commodity interests trading as intended by customers.
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8 10. Throughout the Relevant Period, Li knows or recklessly disregards that the
9 customer assets she accepts via the FIL website and otherwise are intended for trading
10 commodity interests via FIL trading accounts, that the account statements issued to customers
11 are false and omit material facts, and that she causes customer assets to be forwarded to Scheme
12 Entities that are not associated with commodity interest trading as intended by customers or
13 promised by Defendants.
14

15 11. Defendants are joined in a common purpose of defrauding and profiting from
16 customers, have relationships with and among each other, depend upon the participation of each
17 other to accomplish their common purpose, utilize websites that are mirror images of one
18 another, and are each employed by and/or associate with the Scheme Entities during the Relevant
19 Period.
20

21 12. By this conduct, and the conduct further described herein, Defendants have
22 engaged, are engaging, and/or are about to engage in acts and practices in violation of Sections
23 4b(a)(2)(A)-(C) and 6(c)(1) of the CEA, 7 U.S.C. §§ 6b(a)(2)(A)-(C), 9(1), and Commission
24 Regulations ("Regulations") 5.2(b)(1) and (3) and 180.1(a)(1)-(3), 17 C.F.R. §§ 5.2(b)(1), (3),
25 180.1(a)(1)-(3) (2023).
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13. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint, and similar acts and practices, as more fully described below.

14. Accordingly, pursuant to Section 6c of the CEA, 7 U.S.C. § 13a-1, the Commission brings this action to permanently enjoin Defendants' unlawful acts and practices, to compel their compliance with the CEA and the Regulations, and to further enjoin them from engaging in any commodity-interest related activity, as set forth below. In addition, the Commission seeks civil monetary penalties for each violation of the CEA and Regulations, and remedial ancillary relief, including, but not limited to, trading bans, restitution, disgorgement, an accounting, pre- and post-judgment interest, and such other relief as the Court deems necessary and appropriate.

II. JURISDICTION AND VENUE

15. This Court possesses jurisdiction over this action pursuant to 28 U.S.C. § 1331 (codifying federal question jurisdiction) and 28 U.S.C. § 1345 (providing that district courts have original jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress). In addition, Section 6c of the CEA, 7 U.S.C. § 13a-1(a), authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the CEA or any rule, regulation, or order thereunder.

16. Venue properly lies with this Court pursuant to Section 6c(e) of the CEA, 7 U.S.C. § 13a-1(e), and 28 U.S.C. § 1391(b) because Defendants reside, transact or transacted business in this District, at least one customer of the Defendants resides in this District, and certain of the transactions, acts, practices, and courses of business alleged in this Complaint occurred, are occurring, or are about to occur within this District. Venue also properly lies as to aliens Bai, Li, FIL, and Aipu pursuant to 28 U.S.C. § 1391(c)(3).

III. THE PARTIES

A. PLAINTIFF

17. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency charged by Congress with the administration and enforcement of the CEA and Regulations. The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

B. DEFENDANTS

18. Defendant **Qian Bai** resides in the PRC. Pursuant to the records of the United Kingdom's Companies House registration, Bai incorporated Aipu on March 23, 2023, and is listed as the sole Director of Aipu. Bai is listed as residing in the PRC, with a correspondence address in West Midlands, England, United Kingdom. Bai is also the person who registered the Aipu website on or about March 17, 2023, through *Go Daddy.com*, a U.S.-based company, using a purported address in Kowloon, Hong Kong, a special administrative region of the PRC. Bai communicates directly with customers using the email address "Qian Bai service@aipufx.com," WeChat, as well as Aipu's own application "AIPUFX.cc" ("AIPUFX.cc" or the "application").

Bai is not registered in any capacity with the Financial Conduct Authority, which is the United

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1 Kingdom's regulator of financial firms and their employees who market and provide services to
2 customers related to financial products. Bai has never been registered with the Commission in
3 any capacity.

4 19. Defendant **Chao Li** resides in the PRC. Pursuant to the records of the United
5 Kingdom's Companies House registration, Li incorporated FIL on November 3, 2023, and is
6 listed as the sole Director of FIL. Li is listed as residing in the PRC, with a correspondence
7 address in West Midlands, England, United Kingdom that is the same address used by Bai. Li is
8 not registered in any capacity with the Financial Conduct Authority, the United Kingdom's
9 prudential regulator. Li has never been registered with the Commission in any capacity.

10 20. Defendant **Aipu Limited** is a "private limited company" organized pursuant to
11 the laws of the United Kingdom. Pursuant to the records of the United Kingdom's Companies
12 House registration, Aipu was created on or about March 23, 2023 and has a registered office
13 address located in Manchester, England. Aipu has never been registered with the United
14 Kingdom's Financial Conduct Authority in any capacity. Aipu has never been registered with
15 the Commission in any capacity.

16 21. Defendant **Fidefx Investments Limited** is a "private limited company" organized
17 pursuant to the laws of the United Kingdom. Pursuant to the records of the United Kingdom's
18 Companies House registration, FIL was created on or about November 3, 2023 and has a
19 registered office address located in Coventry, West Midlands, England. FIL has never been
20 registered with the United Kingdom's Financial Conduct Authority in any capacity. FIL has
21 never been registered with the Commission in any capacity.

22. Defendant **Lan Bai** resides in Tulsa, Oklahoma. Lan Bai has never been registered with the Commission in any capacity.

IV. STATUTORY BACKGROUND AND LEGAL FRAMEWORK

23. The purpose of the CEA is to “serve the public interests . . . through a system of effective self-regulation of trading facilities, clearing systems, market participants and market professionals under the oversight of the Commission,” as well as “to deter and prevent price manipulation or any other disruptions to market integrity; to ensure the financial integrity of all transactions subject to [the CEA] and the avoidance of systemic risk; to protect all market participants from fraudulent or other abusive sales practices and misuses of customer assets; and to promote responsible innovation and fair competition among boards of trade, other markets and market participants.” Section 3 of the CEA, 7 U.S.C. § 5.

24. Section 2(c)(2)(C)(i)(I) of the CEA, 7 U.S.C. § 2(c)(2)(C)(i)(I), in relevant part, applies to any agreement, contract, or transaction in, or in connection with, forex that is offered to, or entered into with, a person that is not an ECP “on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis,” subject to certain exceptions not applicable here.

25. Section 2(c)(2)(D)(i)(I) of the CEA, 7 U.S.C. § 2(c)(2)(D)(i)(I), in relevant part, applies to any agreement, contract, or transaction in, or in connection with, any commodity that is offered to, or entered into with, a person that is not an ECP “on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis,” subject to certain exceptions not applicable here.

26. 7 U.S.C. § 1a(18)(A)(xi) defines an ECP, in relevant part, as an individual:
 (a) who has amounts invested on a discretionary basis, the aggregate of which exceeds \$10 million, or (b) \$5 million if the individual enters into the transaction to “manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.” Individuals who do not meet these criteria are non-ECPs.

V. FACTS

A. Defendants’ Fraudulent Scheme

27. During the Relevant Period, Defendants engaged, and continue to engage, in a fraudulent common enterprise scheme whereby Defendants and their Solicitors solicit prospective and actual customers, the majority of whom are located in the U.S., through the websites, cell phone applications such as WeChat, WhatsApp, Line, and Defendant Aipu’s own application “AIPUFX.cc”, other social media platforms and/or messaging applications, and unregistered associated persons. Upon information and belief, the Aipu website was no longer operating as of late April to early May of 2024. The FIL website, essentially a mirror image of the Aipu website, began operating on or about October 23, 2023, and is currently soliciting actual and prospective customers.

1. Websites’ Solicitations

28. Defendants, through the websites, offer actual and potential customers highly leveraged trading in both retail forex pairs, with “variable spreads” and leverage of 1:1000, and in commodity futures contracts in precious metals, energy and agriculture futures contracts at 1:500 leverage. The websites, controlled by Bai and Li respectively as the sole Directors of Aipu and FIL respectively, made identical representations to actual and prospective customers. Aipu’s

website stated: “At the heart of AIPU Limited’s business is our commitment to offer clients competitive spreads and execution on major currency pairs.” FIL’s website used the same representation: “At the heart of FIL’s business is our commitment to offer clients competitive spreads and execution on major currency pairs.” Aipu and FIL further affirmatively misrepresent, through the websites, that:

“[Aipu Limited/FIL] is a fully regulated global forex and CFD broker. Founded by a dedicated, veteran team of online finance professionals, the company has extensive experience offering innovative trading products and exceptional service and support. Combining technological ingenuity and attentive, personal service, [Aipu Limited/FIL] offers traders a superior trading experience, on one platform called FX6. Our cross-device capability means you can trade at your Office, home or on the go via desktop, laptop, mobile or tablet. Moreover, our highly trained, dedicated account managers are available 24 hours a day to provide you expert, Professional guidance in your language, whenever you need...

A regulated broker, holding licences [*sic*] from the Vanuatu Financial Control (VFC), [Aipu Limited/FIL] is authorised to offer financial services across Europe, Far East, Asia and America. Committed to upholding strictest regulatory standards, we ensure total transparency and guarantee the privacy and security of your account with the most sophisticated safety protocols.”

(FIL’s website makes the same claim, simply substituting “FIL” for Aipu Limited.)

29. These representations are false. Neither Aipu nor FIL offer actual leveraged trading in commodity interests. Neither Aipu nor FIL is “fully regulated” or licensed. There is no such entity named the “Vanuatu Financial Control.” The Vanuatu Financial Services

Commission (“VFSC”) is the financial regulatory authority of Vanuatu, an island country in the southwestern Pacific Ocean. The VFSC has never registered or licensed Aipu, FIL, or any other Defendant in any capacity.

30. The Defendants cannot lawfully solicit assets, or accept assets, from customers in the United States to engage in trading commodity interests on their behalf, as none of the Defendants have ever been registered with the Commission in any capacity.

31. Regarding the “FX6” trading platform, Aipu and FIL each represent it can be used on “PC, Web, IOS and Android” and can be utilized to trade customers’ fiat and digital assets. Defendants, through the websites, represent to actual and prospective customers: “The FX6 trading platform is designed for Forex, futures and CFD trading. With FX6, traders can analyze financial markets, perform advanced trading operations, run trading robots (Expert Advisors) and copy deals of other traders.”

32. These representations are also false. Defendants fail to advise actual and prospective customers that there are no customer accounts at either Aipu or FIL, that no trading takes place, and that no trading takes place by use of the “FX6 trading platform” or otherwise. These misrepresentations and omissions of facts are material, as a reasonable customer would want to know that there are no trading accounts, that the account statements provided to them by Defendants are false, that no trading takes place at either Aipu or FIL, and that their assets are misappropriated by the Defendants acting as a common enterprise.

33. The Defendants, acting as a common enterprise, use the websites to target unsophisticated customers who are more susceptible to believe Aipu’s and FIL’s fraudulent representations. The Defendants, via the websites, make no inquiry as to whether a potential

1 customer qualifies as an ECP. Instead, the websites each falsely represent that a prospective
2 customer can “open an account in five minutes” and that “true ECN pricing with added liquidity
3 from over 50 different banks and dark pool liquidity sources mean[t] tighter spreads across 60
4 forex pairs 24/5.”

5 34. The Defendants, via the Aipu and FIL websites, falsely represent that Aipu and/or
6 FIL offer customers a legitimate live trading platform. No actual trading takes place on
7 customers’ behalf. Instead, once Defendants receive a customer’s assets, such assets are
8 misappropriated by the Defendants by sending customer assets to offshore bank accounts with no
9 association with commodity trading. Customers are provided a username and password for
10 online access via each of the websites to view what is represented to them as their account
11 statement, which shows their purported trading account carried account balances consistent with
12 the amount of assets transferred by customers to the Defendants. Further, the customers’ online
13 account statements show profitable trading in their purported trading account at AIPU or FIL.
14 These online account statements are false, as no trading takes place on behalf of customers.
15
16

17 **2. Direct Solicitations via Messaging Apps and Similar Tools**

18 35. The direct solicitation of customers follows a similar pattern. One customer
19 (Customer “A”), who is a resident of Hawaii, described his experience as follows:
20
21

22 “In July 2023 I was contacted through an online messaging App the Line (call and
23 message app) by someone that goes by Lillian. We started messaging each other in the
24 beginning about different things and then it turned to investing and spot gold. Lillian
25 shared that she studied spot gold and was pretty good at making small profits between
26

1 10% to 30% per trade involving trades of leveraged or margined gold-U.S. dollar pair
2 (“XAUUSD”) transactions

3 She chatted with me for a while till she persuaded me to sign up for an account with Aipu
4 Limited. Once I signed up for the account, she said that I should sign up for an account
5 with Crypto.com so I could deposit money (crypto) into my Aipu account. Lilian told me
6 she will co-invest with me and I saw deposits she claims to have made credited to my
7 aipufx account. I would receive text from Lilian proving me with signal to enter and exit
8 my trades.

9
10 From August 2023 through to October 2023 I transferred 117.26 ETH - equivalent to
11 over \$400k - and I traded my account up to \$915k including over \$273k in rewards.”

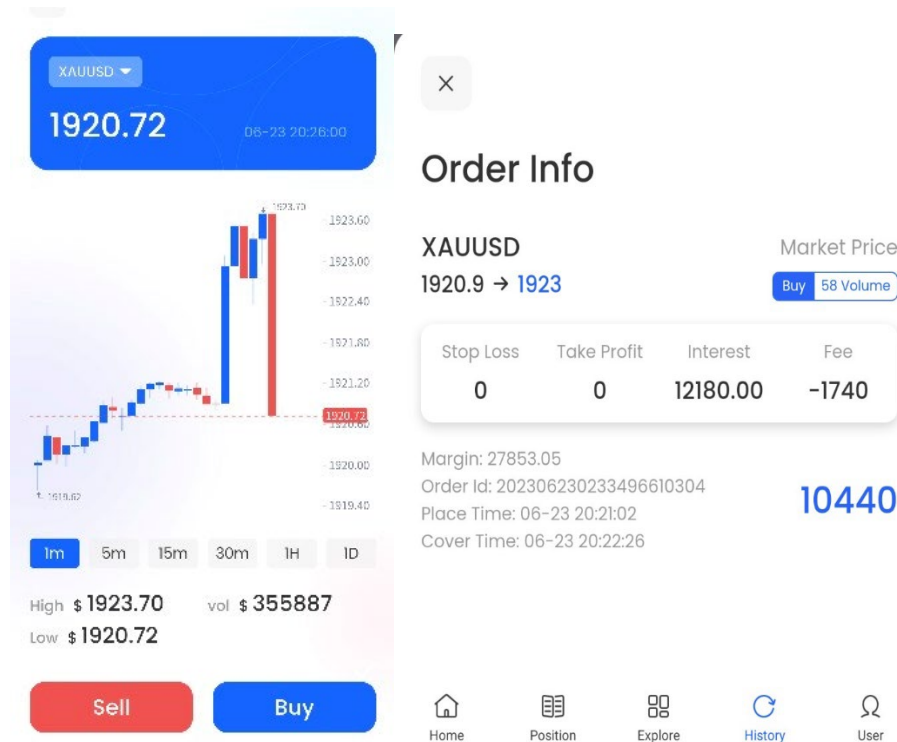
12 36. When Customer A attempted to withdraw assets, Aipu and Bai fraudulently gave
13 him various excuses as to why a withdrawal of assets from his purported trading account could
14 not take place. Ultimately, Customer A lost all assets he transferred to Aipu to secure
15 commodity interest trading on his behalf.
16

17 37. A second customer (Customer “Z”), who is a resident of Indiana, had a similar
18 experience. Customer Z was contacted on the social media application WeChat by a Solicitor
19 purportedly identified as “Arlene” to set up a trading account on Aipu’s website. As described
20 by Customer Z, he sent money directly to Lan Bai, pursuant to the directions of Aipu’s Solicitor
21 “Arlene.” Customer Z described his experience as follows:
22

23 She [Arlene] showed me step-by-step how to set up different accounts, including several
24 crypto accounts and AIPU trading account, and how to trade in AIPU. We only traded
25 gold price (sic) through XAUUSD on AIPU.

26 Now I suspected that she may be an insider of AIPU.

First, she knows the timing when price will jump (sic) . In several trades I did with her, she told me ahead of the trade at exact what time to buy (sic), and after I placed orders, there tended to be a spike in price. After a few minutes, the price will come down. But before the price came down, she already instructed me to sell (cover). She credited her knowledge, including the timing of the trade, to a team of friends doing some research. Below is a screen capture of a trade taking place on June 23, 2023. I placed an order at the price of 1920.9 before the blue spike and sold (cover) at the price of 1923 within 2 minutes window (sic).



Second, she introduced me to an VIP program at AIPU to encourage clients to deposit more money. To help me meet my VIP requirement, she also deposit (sic) a total of \$580,000 in four transactions to my accounts. She must be insider of AIPU to explain this behavior.

She lives a rich lifestyle in San Francisco and takes private jet back to China through Hong Kong. I think she is a beneficiary of the AIPU online frauds.

After Chase bank and three crypto sites blocked my money transfer to Hong Kong, I wired money twice to Liang's friends and associates, and hoping through them to transfer money to AIPU to fulfill my VIP requirement and to unfreeze my account there. The

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1 first time, on September 15, 2023, \$125K was wired to her assistant ["LT"] with her
 2 instruction, and the money eventually was deposited to my AIPU account. The 2nd time,
 3 on September 20, 2023, \$18.5K was wired to her friend Lan Bai. After a delay, the
 4 money was eventually forwarded to Liang. But she did not transfer it to AIPU since the
 5 deadline to fulfill my VIP requirement has passed. I asked her to return the funds to me
 6 later, and she agreed first and then cut me off completely.

7 38. The above screenshot displaying "XAU/USD" is from Aipu's own application
 8 AIPUFX.cc, and purports to show a trading record in which Aipu entered into a currency pair
 9 transaction for the benefit of Customer "Z's" trading account. XAU/USD is the label for gold to
 10 US Dollar traded on the foreign exchange markets: Gold (XAU) is traded against the US dollar
 11 (USD), and its price represents the cost of one ounce of gold in USD. Although it involves gold,
 12 XAU/USD is traded on the forex marketplace like a currency pair. The transaction statement
 13 displayed is false, as no trading takes place by Aipu on behalf of Customer "Z."

14 39. Defendants, acting as a common enterprise through the acts of Li, Bai and/or Lan
 15 Bai, move customers' assets among themselves, using common digital asset wallets to
 16 misappropriate customer assets. In one such transaction, Customer "L," who is a resident of
 17 Pierce County, Washington, was directed by Solicitors to forward digital assets to Aipu's digital
 18 wallet address to secure purported commodity trading in Customer "L's" trading account.
 19 However, an analysis of the transaction purportedly between Customer "L" and Aipu reveals that
 20 the sending digital wallet address is actually associated with FIL.
 21

22 40. Once customers who do not already have an account with Aipu or FIL decide to
 23 participate, the Solicitors introduce them to Aipu and/or FIL, where customers set up their
 24 "trading accounts" via Aipu's website and FIL's website, respectively. Solicitors fraudulently
 25

1 claim to have trading accounts at Aipu and/or FIL, and further claim to trade commodity interest
2 contracts successfully. For example, Aipu's customer service representatives ("Customer
3 Service") provide customers with wire transfer instructions regarding the bank accounts to which
4 they should wire their assets, such as Aipu's bank accounts or, digital wallet addresses if the
5 customers are transferring digital assets. A number of customers of both Aipu and FIL are
6 directed to wire funds to bank accounts located in the U.S. which are solely controlled by Lan
7 Bai. Once customer funds are accepted into her bank accounts, Lan Bai controls the movement
8 of customer funds, and controls whether customer funds are misappropriated.
9

10 41. Bai directly communicates with customers, including via a Customer Service
11 email address, and knowingly or recklessly omits material information in communications with
12 customers, as well as providing materially false information, in said communications with
13 customers.
14

15 42. Lan Bai communicates with both Aipu and FIL customers via the Zelle payment
16 application, and then accepts wire transfers of customer funds into her personal bank accounts.
17 For example, on September 20, 2023, Customer "Z" sent his last wire transfer to Aipu by
18 sending \$18,500 to Lan Bai's personal bank account. Between October 2, 2023, to November 7,
19 2023, Customer "Z" sent messages to a Solicitor identified as "Liang" via WeChat about Lan Bai
20 returning his \$18,500, and he also spoke with Lan Bai directly on the telephone and via text
21 message about returning his \$18,500. In another transaction, on February 4, 2024, FIL Customer
22 "C" sent a Zelle transfer of \$100 to Lan Bai's JPMC account ****3602 with a notation stating:
23 "Fidefx."
24
25
26

1 43. As part of the fraudulent scheme, Aipu's Customer Service assists customers in
2 setting up their trading accounts by instructing them to download Aipu's own application
3 "AIPUFX.cc" onto their cellular telephone or mobile device. This application allegedly allows
4 customers to trade commodity interests via the "FX6" trading platform.

5 44. In fact, the application does not interface with a legitimate trading platform and
6 the customers are actually interfacing with individuals who are also part of the fraudulent
7 scheme. The application only mimicked the features of a live trading platform by, among other
8 things, purportedly allowing customers to enter and track their trades, interface with customer
9 service representatives, and check their purported account balances. The information contained
10 in the application, such as trade data and account history, is controlled by Bai and Aipu and is
11 false.
12

13 45. Throughout the Relevant Period, Defendants omit material facts in
14 communications with actual and prospective customer, including, but not limited to: there are no
15 trading accounts; customers' assets are not used to trade commodity interests; Defendants are
16 operating a "Ponzi" scheme; and, customers' assets are misappropriated by the Defendants as
17 part of a common enterprise fraud.
18

19 46. After customers wire funds to the personal bank accounts of Lan Bai and/or
20 others, these customers' online account statements show the assets they transferred through Lan
21 Bai and/or others are credited to the customers' trading account. These transactions, together
22 with the Zelle transactions, demonstrate that Lan Bai is personally involved in the operation of
23 the common enterprise fraudulent scheme on behalf of both Aipu and FIL, and that she controls
24 part of the movement of customer funds during the Relevant Period. Each time Lan Bai accepts
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1 into her personal bank accounts the transfer of assets from customers, these assets are not
2 transferred to a trading entity. Instead, Lan Bai misappropriates customers' assets by
3 transferring them to Scheme Entities in the PRC and Malaysia. At no time does Lan Bai reject
4 any deposit of customer funds wired into her personal bank accounts, nor does she ever make
5 inquiries to defrauded customers as to why customers are wiring funds. Lan Bai opens and uses
6 at least five (5) bank accounts carried in her name to accept customer funds during the Relevant
7 Period. Lan Bai retains a portion of the customer funds wired into her personal bank accounts
8 during the Relevant Period, and uses said funds for her personal benefit.

10 47. Defendants use the false trading statements showing alleged profits to encourage
11 customers to transfer additional assets for trading. Initially after opening a trading account,
12 customers are able to withdraw small amounts of their assets. In fact, some Solicitors encourage
13 customers to withdraw some of their assets from their account as proof that the trading is
14 legitimate. These withdrawals are not profits from trading, but are the assets of later-in-time
15 customers in the nature of a "Ponzi" scheme.

17 48. If customers subsequently attempt to close their account or withdraw large
18 amounts from their trading accounts, they are falsely advised that they cannot withdraw their
19 assets unless they first pay an additional "tax" or a "fee," which is as large as thirty percent
20 (30%) of their purported account balance.

22 49. The purported trading accounts are also funded through digital asset transfers; to
23 Aipu's and FIL's digital wallet addresses via digital accounts customers hold at digital brokers.
24 As noted previously, some digital asset transfers by customers holding purported trading
25 accounts at Aipu are in fact transferred to digital wallet addresses associated with FIL. Some

1 customers wire fiat currency to the personal accounts of Lan Bai and others, who then forward
2 the fiat currency to bank accounts carried in the name of non-trading Scheme Entities in the PRC
3 and Malaysia.

4 50. Bai individually, and as the sole Director and a controlling person of Aipu, knows
5 or recklessly disregards that the misappropriated assets are customer assets intended to be used
6 solely for the purpose of trading commodity interests.
7

8 51. Lan Bai knowingly or recklessly disregards that she was and is accepting
9 customer assets into her personal bank accounts, which are intended to be used for trading
10 commodity interests. Instead of using customer assets to trade commodity interests, Lan Bai
11 misappropriates customer assets by wiring funds to Scheme Entities' bank accounts in the PRC
12 and Malaysia that are not associated with trading commodity interests. At no time during the
13 Relevant Period does Lan Bai reject a customer deposit or Zelle transaction, advise her bank
14 representative that funds are being deposited into her account(s) from unknown sources, or take
15 any step to question customers regarding why they are wiring funds. Each time Lan Bai accepts
16 customer funds in the accounts she solely controls, she is solely in control of subsequently
17 misappropriating said funds by wiring the customer funds she accepts to non-trading accounts in
18 the PRC, Malaysia, and elsewhere.
19
20

21 52. Li individually, and as the sole Director and a controlling person of FIL in charge
22 of FIL's day-to-day activities, knows or recklessly disregards that the misappropriated assets are
23 customer assets intended to be used solely for the purpose of trading commodity interests.
24
25
26

B. Defendants and the Scheme Entities Operate as a Common Enterprise

53. Together with Scheme Entities, Defendants operate as a common enterprise with a shared purpose of defrauding customers. Defendants Aipu and FIL are shell companies which serve no legitimate business purpose other than for Li, Bai and Lan Bai to accept and funnel assets to the Scheme Entities.

54. Defendants and the Scheme Entities operate as an integrated whole in that they shared common control, assets, customers, fraudulent solicitations, and funneled customer assets through common financial account to common entities located in the PRC, Malaysia, and elsewhere.

55. The nearly identical websites the Defendants use to tout Aipu's and FIL's purported "investments" in commodity interests demonstrate a commonality of control and design to defraud customers. Defendants and the Scheme Enterprise shared common customers, assets, digital asset accounts, solicitations, and were controlled by the same individuals.

56. The coordinated manner in which FIL and Aipu interact with customers and the Scheme Entities indicates there is a common control being exercised. For example, customer fiat assets are deposited into Lan Bai's multiple personal bank accounts and are reflected very quickly in the customers' purported online trading account balances as shown on the AIPUFX.cc application. On at least six (6) occasions, Lan Bai accepts customer fiat assets, from customers located in the U.S., via Zelle transfers that mention "Aipu" in the memo section, placing her on actual notice of the purpose of the transfers. In a seventh Zelle transaction, Lan Bai accepts customer fiat assets, from a customer located in the U.S. that mentions "Fidefx" in the memo section, placing her on actual notice of the purpose of the transfer. Lan Bai then fails to transfer

1 the customers' fiat assets to Aipu and/or FIL or accounts carried in the name of Aipu and/or FIL,
2 but instead misappropriates the customer's fiat assets by wiring them to third party Scheme
3 Entities located offshore.

4 57. As part of the common enterprise, Defendants move customers' digital assets
5 among themselves, using common digital asset wallets to misappropriate customer assets.
6 Customers are directed by Solicitors to forward digital assets to Aipu's digital wallet address to
7 secure purported commodity trading in customers' trading accounts. However, an analysis of
8 transactions purportedly between customers and Aipu reveals that the sending digital wallet
9 address is actually associated with FIL, not Aipu, demonstrating the Defendants commingle
10 customer assets among themselves.
11

12
13 **C. Defendants Bai and Lan Bai Are Controlling Persons of Aipu, and Know or**
14 **Recklessly Disregard that Customer Assets Sent to Aipu Are Not Used for**
15 **Trading**

16 58. As the sole Director of Aipu, and therefore the person in day-to-day control of
17 Aipu, Bai has personal knowledge of the operation of Aipu, the solicitations of customers via the
18 website operated by Aipu, the origin of funds and digital assets being accepted into Aipu's bank
19 accounts and digital wallets, and is responsible for the daily disposition of those assets. As such,
20 Bai is a controlling person of Aipu during the Relevant Period. Bai knows that neither he nor
21 Aipu hold any accounts for trading commodity interests. Bai knows that neither he nor Aipu are
22 commodity interests on behalf of Scheme Customers, either from the United States or elsewhere.
23 Bai knows he is not registered with the Commission in any capacity, and cannot lawfully accept
24 customer assets to trade commodity interests on their behalf.
25

1 59. Bai is also the person responsible for registering Aipu's website, and as the sole
2 Director of Aipu, Bai is solely responsible for the content of the website, including the fraudulent
3 solicitations to actual and prospective customers.

4 60. Bai is engaged in directly making false solicitations to customers and is
5 responsible for omitting material facts in his direct communications with customers. For
6 example, some customers are convinced to transfer additional assets to Aipu after being advised
7 that additional deposits will allow them to participate in a "Member Anniversary VIP Special."
8 In fact, the "VIP Special" is only another fraudulent tactic used by Defendants to misappropriate
9 additional assets from customers. The experience of Customer "Z" in regard to the "VIP
10 Special" follows Bai's typical fraudulent solicitation pattern. Customer "Z" was sent a "VIP
11 Special" promotional flyer whereby a Scheme Customer is encouraged to attain one of nine "VIP
12 Special" membership levels" based on the amount of additional assets deposited into the customer's
13 purported trading account.

14 61. In one email communication with Customer Z, Bai stated:

15
16 Hello, this is an anniversary activity picture (sic) launched by our company to give back
17 to new and old users. The activity is valid for 80 days after you make a reservation.
18 Once you make a reservation, you need to complete the reservation level before you can
19 withdraw the reward funds. If the reservation is not completed, there will be a penalty of
20 3% of the deposit amount. If you complete the appointment, you can withdraw all your
21 funds immediately. If you fail to complete the promotion within 80 days, you pay and
22 extension fee of US \$20,000 for an extension of 10 working days...Please be aware of
23 the anniversary event rules, thank you.

24 62. All of these statements are false. Bai fraudulently omits material facts in this
25 email to the customer, including but not limited to failing to advise the customer that: the
26 customer's assets will be misappropriated and not used for trading even if the customer

1 completes the supposed reservation levels and appointments. Moreover, the communication is
2 made to defraud the customer of additional assets without disclosing that the customer's previous
3 assets had been misappropriated. As the sole officer of Aipu, Bai has actual knowledge that this
4 "promotion" is fraudulent.

5 63. Lan Bai is also a controlling person of Aipu as the sole signatory in control of her
6 personal bank accounts that accept customer assets. Lan Bai accepted assets directly from
7 customers, and communicates directly with customers via instant messaging applications and
8 telephone calls. Lan Bai knows or recklessly disregards that she is not trading commodity
9 interests on behalf of customers, nor is she forwarding customer assets to any entity that trades
10 commodity interests on behalf of Aipu or FIL's customers. Lan Bai knows or recklessly
11 disregards that she did not forward customer trading assets to any account carried in the name of
12 Aipu.
13
14

15 64. Further, Lan Bai knows she is not registered with the Commission in any
16 capacity, and knows or recklessly disregards that Defendants cannot lawfully solicit or accept
17 assets from customers to trade commodity interests. Lan Bai knows that she does not hold any
18 forex or commodity futures trading accounts in the United States, cannot enter into such trades
19 on behalf of U.S. customers, and knows or recklessly disregards Defendants are not forwarding
20 customer assets they receive to an FCM or RFED to trade on behalf of customers.
21

22 65. For example, in the "Payment Memo" section of at least six (6) Zelle transactions
23 between Lan Bai and a U.S. customer, it is noted that the assets are transferred to Lan Bai for
24 "Aipu deposit," "Aipu Lan Bai," "Aipu Lan Bai #2," "Aipu Lan Bai #3," "Aipu Lan Bai #4,"
25 and "Aipu Lan Bai #5." By these notations, and other interactions with customers, Lan Bai

knows, or recklessly disregards, that the assets she accepts, and subsequently misappropriates, are customer assets intended to be sent to Aipu and used solely for the purpose of trading forex and/or commodity futures contracts via Aipu. Accordingly, Lan Bai has actual knowledge that the assets she accepts into her personal bank account are for purposes of trading commodity interests at Aipu, and not for other services or goods.

D. Defendant Li is the Controlling Person of FIL and Knows or Recklessly Disregards that Customer Assets Sent to FIL Are Not Used for Trading

66. As the sole Director of FIL, and therefore the person in day-to-day control of FIL, Li has personal knowledge of the operation of FIL, the solicitations of customers via the website operated by FIL, the origin of funds and digital assets being accepted into FIL's bank accounts and digital wallets, and is responsible for the daily disposition of those assets. As such, Li is a controlling person of FIL during the Relevant Period.

67. Li knows that neither she nor FIL hold any forex or commodity futures trading accounts. Li knows that neither she nor FIL are trading forex or commodity futures on behalf of Scheme Customers, either from the United States or elsewhere. Li knows she is not registered with the Commission in any capacity and cannot lawfully accept customer assets to trade commodity interests on their behalf.

VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND COMMISSION REGULATIONS

COUNT I

(All Defendants)

FRAUD IN CONNECTION WITH LEVERAGED AND MARGINED COMMODITIES TRANSACTIONS, FOREX, AND COMMODITY FUTURES

Violations of Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2023)

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1 68. The allegations in paragraphs 1-67 are re-alleged and incorporated herein by
2 reference.

3 69. Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C. § 6b(a)(2)(A)-(C), makes it
4 unlawful:
5

6 [F]or any person, in or in connection with any order to make, or the
7 making of, any contract of sale of any commodity for future delivery, [. . .
8] that is made, or to be made, for or on behalf of, or with, any other person
9 other than on or subject to the rules of a designated contract market—(A)
10 to cheat or defraud or attempt to cheat or defraud the other person; (B)
11 willfully to make or cause to be made to the other person any false report
12 of statement . . . [or] (C) willfully to deceive or attempt to deceive the
13 other person by any means whatsoever in regard to any order or contract
14 or the disposition or execution of any order or contract, or in regard to any
15 act of agency performed, with respect to any order or contract for or, in the
16 case of paragraph (2), with the other person.
17

18 70. Pursuant to Section 2(c)(2)(C)(iv) of the Act, 7 U.S.C. § 2(c)(2)(C)(iv), Section
19 4b of the CEA, 7 U.S.C. § 6b, applies to the forex transactions, agreements, or contracts
20 described in Section 2(c)(2)(C)(i) of the CEA, 7 U.S.C. § 2(c)(2)(C)(i), “as if” they were
21 contracts of sale of a commodity for future delivery. Further, Section 2(c)(2)(C)(ii)(I) of the
22 CEA, 7 U.S.C. § 2(c)(2)(C)(ii)(I), also makes those forex agreements, contracts, or transactions
23 “subject to” Section 4b of the CEA, 7 U.S.C. § 6b. Finally, Section 2(c)(2)(C)(vii) of the CEA, 7
24 U.S.C. § 2(c)(2)(C)(vii), makes clear the CFTC has jurisdiction over an account that is offered
25
26

1 for the purpose of trading forex described in Section 2(c)(2)(C)(i) of the CEA, 7 U.S.C.

2 § 2(c)(2)(C)(i).

3 71. Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3), makes it unlawful for any
4 person, by use of the mails or by any instrumentality of interstate commerce, directly or
5 indirectly, in or in connection with any retail forex transaction: (1) to cheat or defraud or attempt
6 to cheat or defraud any person; ...or (3) willfully to deceive or attempt to deceive any person by
7 any means whatsoever.
8

9 72. Pursuant to Section 2(c)(2)(D)(iii) of the CEA, 7 U.S.C. § 2(c)(2)(D)(iii), Section
10 4b of the CEA, 7 U.S.C. § 6b, also applies to the leveraged and margined commodities
11 transactions offered by Defendants as if they were a contract of sale of a commodity for future
12 delivery.
13

14 73. During the Relevant Period, Defendants, individually and acting as a common
15 enterprise with the Scheme Entities, violate Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C.
16 § 6b(a)(2)(A)-(C), by (A) cheating or defrauding or attempting to cheat or defraud other persons;
17 (B) willfully making or causing to be made to other persons any false report or statement and
18 (C) willfully deceiving or attempting to deceive other person by any means whatsoever in regard
19 to any order or contract or the disposition or execution of any order or contract, by among other
20 things: (i) misappropriating customer assets; (ii) sending, or causing false trading records to be
21 sent to customers; and (iii) sending or causing false account records to be sent to a customer.
22

23 74. During the Relevant Period, Defendants violate Regulation 5.2(b)(1) and (3), 17
24 C.F.R. § 5.2(b)(1), (3), by willfully deceiving or attempting to deceive other persons in, or in
25 connection with, the offering of leveraged, margined or financed off-exchange retail forex
26

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1 transactions with non-ECPs, by among other things: fraudulently soliciting, via the websites,
2 leveraged retail forex transactions with actual and prospective customers.

3 75. Further, Defendants, individually and acting as a common enterprise with the
4 Scheme Entities, violate Section 4b(a)(2)(A) and (C) of the CEA, 7 U.S.C. § 6b(a)(2)(A), (C),
5 and with regard to leveraged retail forex transactions, Regulation 5.2(b)(1) and (3), 17 C.F.R.
6 § 5.2(b)(1), (3), by knowingly and/or recklessly making false or misleading statements of
7 material facts to potential customers and failing to disclose material facts to customers in
8 connection with contracts of sale of any commodity for future delivery (or leveraged, retail forex
9 transactions “as if” they were contracts of sale of a commodity for future delivery pursuant to
10 Section 2(c)(2)(C)(i) of the CEA, 7 U.S.C. §2(c)(2)(C)(i), or leveraged and margined
11 commodities offered by Defendants as if they were a contract of sale of a commodity for future
12 delivery pursuant to Section 2(c)(2)(D)(iii) of the CEA, 7 U.S.C. §2(c)(2)(D)(iii)) that is made,
13 or to be made, for or on behalf of, or with, any other person other than on or subject to the rules
14 of a designated contract market, including by stating that Aipu and FIL are regulated entities by a
15 fictitious regulator and that they in fact offer live trading in a wide variety of commodities, and by
16 omitting material facts to customers such as that: (i) their assets are not be used for trading; (ii)
17 their assets are misappropriated; and (iii) no trading occurs and the posted returns are fake, all in
18 violation of Section 4b(a)(2)(A) and (C) of the CEA, 7 U.S.C. § 6b(a)(2)(A), (C), and with
19 regard to leveraged retail forex transactions, Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1),
20 (3).
21
22
23
24
25
26

1 76. The Defendants' misrepresentations and omissions of fact are material because
2 they deprive the customers of valuable information that the customers would have considered
3 when deciding to commit their fiat and digital assets.

4 77. Defendants engage in the acts and practices described above using
5 instrumentalities of interstate commerce, including but not limited to: interstate wires for transfer
6 of funds, email, websites, and other electronic communication devices.

7
8 78. Defendants engage in the acts and practices described above willfully,
9 intentionally, or recklessly.

10 79. Lan Bai, acting both individually and as an agent of Aipu, engages in the acts and
11 practices described above knowingly, willfully, or with reckless disregard for the truth. Lan Bai
12 is an active participant in the fraudulent scheme. Lan Bai accepts customer funds wired to her
13 personal bank accounts from customers, which contain notations specifically identifying the
14 wires as intended for "Aipu." Lan Bai misappropriates customer funds by wiring them to third
15 parties associated with the fraudulent scheme instead of using the funds for trading as intended
16 by customers. Lan Bai also sends customers' digital assets to sending digital wallets associated
17 with FIL, in furtherance of the common enterprise fraud.

18
19 80. Bai, acting both individually and as the sole officer of Aipu, engages in the acts
20 and practices described above knowingly, willfully, or with reckless disregard for the truth. Bai
21 is an active participant in the fraudulent scheme. Bai established his corporation Aipu and acts
22 as the "customer service" representative in emails to Scheme Customers. Bai is also listed as the
23 person responsible for creating Aipu's website.

81. Bai and Lan Bai collectively control Aipu directly or indirectly, and do not act in good faith and knowingly induce, directly or indirectly, Aipu to commit the acts and/or omissions alleged herein. Therefore, pursuant to Section 13(b) of the CEA, 7 U.S.C. § 13c(b), Bai and Lan Bai are liable for Aipu's violations of Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3).

82. Li, acting both individually and as the sole officer of FIL, engages in the acts and practices described above knowingly, willfully, or with reckless disregard for the truth. Li is an active participant in the fraudulent scheme. Li established her corporation FIL in the United Kingdom. Li is also the person responsible for FIL's website and its content, as the sole Director of FIL.

83. Li controls FIL directly or indirectly, and does not act in good faith and knowingly induces, directly or indirectly, FIL to commit the acts and/or omissions alleged herein. Therefore, pursuant to Section 13(b) of the CEA, 7 U.S.C. § 13c(b), Li is liable for FIL's violations of Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3).

84. Bai and Lan Bai act within the course and scope of their respective employment, agency, or office with Aipu. Pursuant to Section 2(a)(1)(B) of the CEA, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2 (2023), Aipu is liable as the principal for Bai's and Lan Bai's violations of Section 4b(a)(2)(A)-(C), 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3).

85. Li acts within the course and scope of her employment, agency, or office with FIL. Pursuant to Section 2(a)(1)(B) of the CEA, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17

C.F.R. § 1.2 (2023), FIL is liable as the principal for Li's violations of Section 4b(a)(2)(A)-(C), 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3).

86. Each act of misappropriation, providing false trading and bank records to customers, making misrepresentations of, or failing to disclose material information to, Scheme Customers, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(2)(A)-(C) of the CEA, 7 U.S.C. § 6b(a)(2)(A)-(C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3).

COUNT II
(All Defendants)

FRAUD BY DECEPTIVE DEVICE OR CONTRIVANCE

**Violations of Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3),
17 C.F.R. § 180.1(a)(1)-(3) (2023)**

87. The allegations in paragraphs 1-86 are re-alleged and incorporated herein by reference.

88. Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), makes it "unlawful for any person, directly or indirectly, to use or employ, or attempt to use or employ, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate"

89. Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3), makes it:

unlawful for any person, directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly:

- 1) use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;

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- 1 2) make, or attempt to make, any untrue or misleading
2 statement of a material fact or to omit to state a material
3 fact necessary in order to make the statements made not
4 untrue or misleading; [or]
5 3) engage, or attempt to engage, in any act, practice, or course
6 of business, which operates or would operate as a fraud or
7 deceit upon any person

8 90. The contracts offered for sale by Aipu are subject to the prohibitions of Section
9 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3).

10 91. During the Relevant Period, Defendants, individually and acting as a common
11 enterprise with the Scheme Entities, violate Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), and
12 Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3), by, among other things, in connection
13 with contracts of sale of commodities in interstate commerce: (1) using or employing, or
14 attempting to use or employ, a manipulative or deceptive device or contrivance, scheme or
15 artifice to defraud; (2) making misrepresentations and omissions of material fact to customers;
16 and (3) engaging, or attempting to engage in any act, practice or course of business which
17 operates as a fraud or deceit. Defendants did so by, without limitation: (i) misappropriating
18 customer funds; (ii) sending or causing to be to be sent, false solicitations to customers; and, (iii)
19 sending or causing false trading records to be sent to customers.

20 92. Further, Defendants, individually and acting as a common enterprise with the
21 Scheme Entities, violate Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation
22 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3), by, among other things, knowingly and/or recklessly
23 making misrepresentations of and failing to disclose material facts to customers, including by
24 failing to disclose that: (i) their funds are not used for trading; (ii) their funds are
25

misappropriated; and (iii) the online customer account statements posted by Aipu and FIL are completely fraudulent, no trading occurs and the posted returns false.

93. The Defendants' misrepresentations and omissions of fact are material because they deprive customers of material facts that the customers would have considered when deciding to participate in trading of contracts of sale of commodities in interstate commerce.

94. During the Relevant Period Aipu, directly and/or indirectly, violates Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3). At all such times, Bai and Lan Bai do not act in good faith or knowingly induce, directly or indirectly, Aipu to commit the acts and/or omissions alleged as violations of Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3), as set forth herein. Pursuant to Section 13(b) of the CEA, 7 U.S.C. § 13c(b), Bai and Lan Bai are liable as controlling person for Aipu's violations Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3).

95. During the Relevant Period FIL, directly and/or indirectly, violates Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3). At all such times, Li does not act in good faith or knowingly induces, directly or indirectly, FIL to commit the acts and/or omissions alleged as violations of Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3), as set forth herein. Pursuant to Section 13(b) of the CEA, 7 U.S.C. § 13c(b), Li is liable as a controlling person for FIL's violations Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3).

1 96. During the Relevant Period Bai and Lan Bai act within the course and scope of
 2 their respective employment, agency, or office with Aipu. Pursuant to Section 2(a)(1)(B) of the
 3 CEA, 7 U.S.C. § 2(a)(1)(B), Aipu is liable as a principal for Bai's and Lan Bai's violations of
 4 Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R.
 5 § 180.1(a)(1)-(3).
 6

7 97. During the Relevant Period Li acts within the course and scope of her
 8 employment, agency, or office with FIL. Pursuant to Section 2(a)(1)(B) of the CEA, 7 U.S.C.
 9 § 2(a)(1)(B), FIL is liable as a principal for Li's violations of Section 6(c)(1) of the CEA,
 10 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3).
 11

12 98. Defendants engaged, and continue to engage, in the acts and practices described
 13 above willfully, intentionally, or recklessly.

14 99. Defendants engaged, and continue to engage, in the acts and practices described
 15 above using instrumentalities of interstate commerce, including but not limited to: interstate
 16 wires for transfer of funds, email, websites, and other electronic communication devices.
 17

18 100. Each act of misappropriation, fraudulently providing false records, and making
 19 misrepresentations and failing to disclose material information to customers, including but not
 20 limited to, those specifically alleged herein, is alleged as a separate and distinct violation of
 21 Section 6(c)(1) of the CEA, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R.
 22 § 180.1(a)(1)-(3).
 23

24 **VII. RELIEF REQUESTED**

25 WHEREFORE, the Commission respectfully requests that this Court, as authorized by 7
 26 U.S.C. § 13a-1, and pursuant to the Court's inherent equitable powers, enter:

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1 A. An order finding Defendants Li, FIL, Bai, Aipu, and Lan Bai liable for violating
 2 Sections 4b(a)(2)(A)-(C) and 6(c)(1) of the CEA, 7 U.S.C. §§ 6b(a)(2)(A)-(C), 9(1), and
 3 Regulations 5.2(b)(1) and (3) and 180.1(a)(1)-(3), 17 C.F.R. §§ 5.2(b)(1), (3), 180.1(a)(1)-(3)
 4 (2023);

5 B. An order of permanent injunction permanently restraining, enjoining, and
 6 prohibiting Defendants Li, FIL, Bai, Aipu, and Lan Bai and any other person or entity associated
 7 with them, from engaging in conduct described above, in violation of Sections 4b(a)(2)(A)-(C)
 8 and 6(c)(1) of the CEA, 7 U.S.C. §§ 6b(a)(2)(A)-(C), 9(1), and Regulations 5.2(b)(1) and (3) and
 9 180.1(a)(1)-(3), 17 C.F.R. §§ 5.2(b)(1), (3), 180.1(a)(1)-(3);
 10

11 C. An order of permanent injunction prohibiting Defendants Li, FIL, Bai, Aipu, and
 12 Lan Bai and any other person or entity associated with them from directly or indirectly:
 13

- 14 (i) Trading on or subject to the rules of any registered entity (as that term is defined in
 15 Section 1a(40) of the CEA, 7 U.S.C. § 1a(40));
 16
 17 (ii) Entering into any transactions involving “commodity interests” (as that term is
 18 defined in Regulation 1.3, 17 C.F.R. § 1.3 (2023)) for their own personal account(s)
 19 or for any account(s) in which any Defendant has a direct or indirect interest;
 20
 21 (iii) Having any commodity interests traded on any Defendant’s behalf;
 22
 23 (iv) Controlling or directing the trading for or on behalf of any other person or entity,
 24 whether by power of attorney or otherwise, in any account involving commodity
 25 interests;
 26

(v) Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;

(vi) Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9)(2023); and

(vii) Acting as a principal (as that term is defined in 17 C.F.R. § 3.1(a) (2023)), agent, or any other officer or employee of any person registered, exempted from registration, or required to be registered with the Commission, except as provided for in 17 C.F.R. § 4.14(a)(9);

D. An order directing Defendants Li, FIL, Bai, Lan Bai, and Aipu, as well as any successors thereof, holding companies, and alter egos, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices which constitute violations of the CEA and Regulations, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

E. An order directing Defendants Li, FIL, Bai, Lan Bai, and Aipu, as well as any successors thereof, to make full restitution to every person who has sustained losses proximately caused by the violations of the CEA and Regulations described herein, and pre- and post-judgment interest thereon from the date of such violations;

F. An order directing Defendants Li, FIL, Bai, Lan Bai, and Aipu, as well as any successors thereof, to provide a full accounting of all Scheme Customer funds they have received

during the Relevant Period as a result of the acts and practices that constituted violations of the CEA and Regulations, as described herein;

G. An order directing Defendants Li, FIL, Bai, Lan Bai, and Aipu to pay a civil monetary penalty, to be assessed by the Court, in an amount not to exceed the penalty prescribed by 7 U.S.C. § 13a-1(d)(1), as adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. 114-74, 129 Stat. 584 (2015), title VII, Section 701, *see* Regulation 143.8, 17 C.F.R. § 143.8 (2023), as amended 89 Fed. Reg. 4542 (Jan. 24, 2024), for each violation of the Act and Regulations described herein;

H. An order requiring Defendants Li, FIL, Bai, Lan Bai, and Aipu to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and

I. Such other and further relief as the Court deems proper.

Dated: September 27, 2024

Respectfully submitted,

By: /s/ Timothy J. Mulreany

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Complaint -37
(C24-5815)

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